

SD/AAS:DKK
F.#2016R01265

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA

- against -

DWAYNE C. HANS,

Defendant.

- - - - - X

EASTERN DISTRICT OF NEW YORK, SS:

BRANDON RACZ, being duly sworn, deposes and states that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), duly appointed according to law and acting as such.

In or about and between April 2016 and July 2016, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant DWAYNE C. HANS, together with others, did knowingly and intentionally devise a scheme and artifice to defraud a financial institution, and to obtain money and property from it by means of materially false pretenses, representations and promises, and for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, to wit: instructions to transfer funds from bank accounts held in the name of Financial Institution 1 and

TO BE FILED UNDER SEAL

**AFFIDAVIT AND COMPLAINT IN
SUPPORT OF APPLICATION FOR
ARREST WARRANT**

(T. 18 U.S.C. §§ 1030(a)(4), 1343,
1956(a)(1)(A), 1956(a)(1)(B), 2 and
3551 et seq.)

16-M-951

otherwise to obtain funds owed to Financial Institution 1, which instructions were designed to appear as if they came from an individual with authority to effect such transactions.

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

In or about and between April 2016 and June 2016, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant DWAYNE C. HANS, together with others, did knowingly and intentionally, with intent to defraud, access one or more protected computers without authorization and exceed authorized access, and by means of such conduct further an intended fraud against the United States and against a financial institution and obtain a thing of value exceeding \$5,000.

(Title 18, United States Code, 1030(a)(4), 2 and 3551 et seq.)

In or about and between April 2016 and June 2016, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant DWAYNE C. HANS, together with others, did knowingly and intentionally conduct and attempt to conduct one or more financial transactions, including the interstate electronic transfer of money in order to invest in real estate in Brooklyn, New York, knowing that the property involved in such transactions represented the proceeds of a specified unlawful activity, specifically, wire fraud, contrary to Title 18, United States Code, Section 1343, with the intent to promote the carrying on of such specified unlawful activity and to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity.

(Title 18, United States Code, Sections 1956(a)(1)(A), 1956(a)(1)(B), 2 and 3551 et seq.)

The source of your deponent's information and the grounds for his belief are as follows:¹

1. I am a Special Agent with the FBI, and I am assigned to a squad that investigates financial crimes. I have been a Special Agent with the FBI for approximately one year and am assigned to the New York Field Office. I am responsible for, among other things, conducting and assisting in investigations into various white collar crimes including theft of government money, wire fraud, money laundering, and identity theft. I have participated in numerous investigations, during the course of which I have interviewed suspects and witnesses, executed court-authorized search warrants, and used other investigative techniques to secure relevant information. As a result of my training and experience, I am familiar with techniques and methods of operation used by individuals involved in criminal activity to conceal their activities from detection by law enforcement authorities.

2. The defendant DWAYNE C. HANS is a 27-year-old U.S. citizen who resides in Richland, Washington. According to open source materials, the defendant, whose middle name is "Cartouche," is the President and CEO of "Cartouche International" or the "Chairman and CEO" of the "Cartouche Corporation." According to open source materials, the defendant's father is named "Dwayne Hans" and is approximately 50 years old. HANS sometimes refers to himself in documents as "Dwayne C. Hans, Jr."

3. The investigation has revealed that the defendant DWAYNE C. HANS has perpetrated a series of frauds conducted through the use of computers, including computers

¹ Because the purpose of this affidavit is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

that hosted information on behalf of the United States government, in which, among other things, the defendant attempted to steal money owed by the Pension Benefit Guarantee Corporation (“PBGC”), a department or agency of the United States government, to a U.S. financial institution (“Financial Institution 1”), and also stole money from Financial Institution 1 directly.

Computer Fraud

4. In April 2016, the defendant DWAYNE C. HANS, using a computer device to access the internet, improperly accessed without authorization, or exceeding his authorization, the United States General Service Administration’s Systems for Award Management website (“SAM.gov”). SAM.gov is a website in which vendors who work with the United States government provide information about, among other things, how those vendors can be paid. Vendors input bank account information into the SAM.gov website in order to receive funds owed to them by the United States government. According to Internet Protocol (“IP”) address information associated with the defendant’s intrusion into SAM.gov, the unauthorized access was gained through IP addresses registered to “Dwayne Hans” at an address in Richland, Washington (the “Richland Address”), at which address the defendant has been observed by the FBI on multiple occasions in August 2016 and September 2016.² In addition, the user information that was provided as part of the process to access the SAM.gov website without authorization was associated on SAM.gov with the email address “dwayne.hansjr@outlook.com.”

² At least two IP addresses also registered to “Dwayne Hans” at the Richland Address were used to access the Facebook page of the defendant DWAYNE C. HANS in April 2016 and May 2016. It appears that the defendant is using an internet account registered either by him or by his father to access the internet.

5. During this unauthorized intrusion into the SAM.gov website, the defendant DWAYNE C. HANS altered at least one entry related to Financial Institution 1. Specifically, the defendant changed the entry so that the entry contained bank account information correlating to a bank account held by the defendant, rather than a bank account held by Financial Institution 1. The defendant also changed the “Electronic Business POC [Point of Contact]” and “Accounts Receivable POC” to “Dwayne Hans,” apparently in order to cause the government to send money owed to a vendor to another party instead.

6. On or about and between April 28, 2016, and June 17, 2016, the PBGC transferred approximately \$1.521 million to the bank account that the defendant DWAYNE C. HANS had listed for Financial Institution 1 on the SAM.gov website. Financial Institution 1 has informed the government that the \$1.521 million was owed by the government to Financial Institution 1, and not to the defendant. These transfers were ultimately detected and disrupted before the defendant withdrew or transferred the money.

Wire Fraud and Money Laundering

7. On or about and between March 15, 2016, and April 11, 2016, the defendant DWAYNE C. HANS used a computer device to access the internet in order to open five bank accounts held in the name of Financial Institution 1. The defendant attempted to link one of those five accounts with a bank account held at JP Morgan in the name of Financial Institution 1 (the “JP Morgan Account”).

8. The five accounts that the defendant DWAYNE C. HANS created were associated with the name “Dwayne C Hans” and with other information linked to the defendant, including the Richland Address and the defendant’s social security number. For example, the new account to which the defendant attempted to link the JP Morgan Account was registered

using the name “Dwayne C Hans Jr.,” the defendant’s birthdate, and the Richland Address. In addition, the defendant listed a home phone number ending in -3434; that same phone number is associated with the bank account that the defendant entered on SAM.gov, as discussed above.

9. These five accounts created by the defendant DWAYNE C. HANS were also accessed using IP addresses registered to “Dwayne Hans” at the Richland Address and with other IP addresses associated with Richland, WA.

10. On or about and between April 5, 2016, and June 10, 2016, the defendant DWAYNE C. HANS caused the electronic transfer of approximately \$134,000 from two corporate bank accounts at JP Morgan held in the name of Financial Institution 1, including the JP Morgan Account, to various other parties. The transfers were caused by the defendant providing, among other things, instructions to those other parties to draw money from Financial Institution 1’s bank accounts. None of these transfers were authorized by Financial Institution 1. For example:

- a. The defendant DWAYNE C. HANS made multiple purchases of shares of stock in corporations including IBM and Coca-Cola in the name of “Dwayne Hans” or “Dwayne C. Hans.” For example, on or about, May 2, 2016, a Financial Institution 1 account was debited \$5,000 in an ACH transfer related to “IBM” and the name “Dwayne C Hans,” and, the next day, an electronic trading account in the name of “Dwayne C Hans Cust[odian]” for Financial Institution 1 reflected a purchase of approximately \$5,000 in IBM stock. That trading account was accessed using IP addresses registered to “Dwayne Hans” at the Richland Address. Some of HANS’s stock purchases were made through American Stock Transfer, a company whose operations center is in Brooklyn, New York.
- b. On or about June 1, 2016, the defendant DWAYNE C. HANS transferred \$7,500 from the corporate bank account of Financial Institution 1 to a website that allows users to make real estate investments. The account at that website is in the name of “Dwayne Hans.” The defendant used the \$7,500 to invest in an apartment on 41st Street in Brooklyn, New York.

- c. The defendant DWAYNE C. HANS paid two bills for internet service for an account in the name of “Dwayne Hans” at the Richland Address. This is the same account to which the IP addresses used to access SAM.gov improperly were registered.
- d. The defendant DWAYNE C. HANS paid one bill owed to the City of Richland by an individual believed to be associated with the defendant (“Individual 1”). Specifically, the defendant’s publicly visible Facebook page includes at least two photographs of him with an individual identified on the Facebook page using the same name as Individual 1. One such photograph is also identified with the location information “Richland, WA.”

11. The defendant DWAYNE C. HANS was not in fact authorized to transfer money from Financial Institution 1’s bank accounts. In order to defraud Financial Institution 1, the defendant used electronic communications to provide information and instructions that were misleading and false in that, among other things, the information and instructions portrayed the defendant as being authorized to effect transfers money from Financial Institution 1’s bank accounts.

12. On or about July 18, 2016, two small credits were made electronically in to the JP Morgan Account from a PayPal account held by the defendant DWAYNE C. HANS. Based on my training and experience, I know that such small credits are used by PayPal in order to establish a link between a PayPal account and an account at a financial institution. Once such a link is established, the user of the PayPal account can make purchases or payments drawn on the linked bank account. Therefore, based on my training and experience, these credits were part of an effort by the defendant to link his PayPal account to the corporate account of Financial Institution 1 and thereafter to steal more money from that corporate account.

13. Based on my training and experience, the transfer of \$7,500 from the JP Morgan Account to a real estate investment website in order to invest in real estate in

Brooklyn, New York, was designed to promote the defendant DWAYNE C. HANS's wire fraud against Financial Institution 1 by, among other things, providing a location to store the money stolen from Financial Institution 1. Moreover, based on my training and experience, that transfer of \$7,500 was designed to conceal the nature, source, and ownership of those funds, including that the rightful owner and source of the funds was Financial Institution 1, by converting that money into an interest in real estate, which interest would on its face appear to be legitimate.

Request for Sealing

14. I request that the Court issue an order sealing, until further order of the Court, all papers submitted in support of this application, including the affidavit and arrest warrant. Based upon my training and experience, I have learned that criminals actively search for criminal affidavits and arrest warrants via the internet. Therefore, premature disclosure of the contents of this affidavit and related documents will seriously jeopardize the investigation, including by giving targets, including the defendant DWAYNE C. HANS, an opportunity to flee or continue flight from prosecution, destroy or tamper with evidence and change patterns of behavior.

WHEREFORE, your deponent respectfully requests that the defendant
DWAYNE C. HANS be dealt with according to law.


BRANDON RACZ
Special Agent
FBI

Sworn to before me this
24th day of October, 2016


THE HONORABLE STEVEN M. GOLD
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK